

GENWAL
RESOURCES, INC.

P.O. Box 1420 • 195 North 100 West • Huntington, Utah 84528
Telephone (801) 687-9813 • Fax (801) 687-9784

April 17, 1998

Utah Coal Program
Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, UT 84118-5801

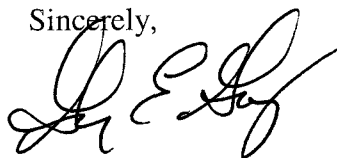
Copy Aaron Hardy
Re: Highwall Elimination, Genwal Resources, Inc., Crandall Canyon Mine, ACT/015/032.
For Steve PFO #2

Dear Sirs:

In your letter of March 5, 1998 regarding oversite and highwall elimination, you state that the Crandall Canyon Mine of Genwal Resources, Inc. has been identified as having permit deficiencies. Our permit has been amended since your highwall review of all permits. If you would review the latest approved permit, I think you will find that all of the deficiencies have been corrected. However, if it is still deficient please let us know. We are planning a significant permit change in regard to the planned acquisition of Mill Fork Lease and could incorporate a change to correct any deficiencies at that time. We will commit to submit an amendment by February 1, 2000 or earlier if the Mill Fork Lease works out. }

Please call if you have any questions or discover any deficiencies.

Sincerely,



Gary E. Gray
Engineer